



Entered on Docket
March 12, 2008

A handwritten signature in dark ink, appearing to read "Linda B. Riegle".

Hon. Linda B. Riegle
United States Bankruptcy Judge

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Special Litigation Counsel for USACM Liquidating Trust

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

USA COMMERCIAL MORTGAGE
COMPANY,

USA CAPITAL REALTY ADVISORS, LLC,

USA CAPITAL DIVERSIFIED TRUST
DEED FUND, LLC,

USA CAPITAL FIRST TRUST DEED
FUND, LLC,

USA SECURITIES, LLC, Debtors.

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC
- ☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR
Case No. BK-S-06-10729-LBR

CHAPTER 11

Jointly Administered Under Case No.
BK-S-06-10725 LBR

**ORDER GRANTING USACM
LIQUIDATING TRUST'S MOTION
TO COMPEL PRODUCTION OF
DOCUMENTS BY WELLS FARGO**

The USACM Liquidating Trust's ("the Trust's") Motion to Compel Production of Documents by Wells Fargo ("Motion to Compel"), brought pursuant to Federal Rules of

1 Bankruptcy Procedure 2004 and 9016 and Federal Rule of Civil Procedure 45, came on for
2 hearing on February 21, 2007 before the Honorable Linda B. Riegle. Stephen T. Loden
3 and Elisaveta Dolgih appeared for the Trust. Kent F. Larsen appeared for Wells Fargo.
4

5 The Court, having considered the papers filed in support of and in opposition to the
6 motion, and having heard oral argument by both parties at the hearing, hereby GRANTS
7 the Motion to Compel for the reasons stated on the record, which is incorporated herein by
8 this reference.
9

10 Accordingly, IT IS HEREBY ORDERED that:

11 A. Pursuant to the stipulation between the Trust and Wells Fargo entered into
12 prior to the hearing, Wells Fargo will produce the following documents that are responsive
13 to the Trust's subpoena to Wells Fargo dated March 13, 2007 ("Subpoena"):
14

15 (1) Wells Fargo's document retention policies and procedures, including the
16 policies and procedures regarding retention of emails;
17

18 (2) Wells Fargo's Know-Your-Customer policies and procedures;

19 (3) Wells Fargo's policies and procedures regarding the application process,
20 opening, acceptance, management, ongoing review, and oversight of the accounts at
21 Wells Fargo, including any policies and procedures regarding wire transfers, ACH
22 transfers, and any form of electronic transfers;
23

24 (4) Wells Fargo's ACH records for the Collections Trust Acct. No. 089-
25 5737864; Investors Trust Acct. No. 046-5657146; 10-90, Inc. Acct. No. 552-
26 5221528; Mountain Vista Acct. No. 552-5221536; Diversified Trust Deed Acct.

1 No. 562-7688038; USACM Choice IV Checking Acct. No. 0834610149; and
2 Palomino Partners Acct. No. 834-614422;

3 (5) Wells Fargo's wire records for the Collections Trust Acct. No. 089-
4 5737864; Investors Trust Acct. No. 046-5657146; 10-90, Inc. Acct. No. 552-
5 5221528; Mountain Vista Acct. No. 552-5221536; Diversified Trust Deed Acct.
6 No. 562-7688038; USACM Choice IV Checking Acct. No. 0834610149; and
7 Palomino Partners Acct. No. 834-614422;

8
9 (6) The reasonable costs for production of documents by Wells Fargo
10 will be \$ 0.10 per page and \$10 per research hour, and Wells Fargo has estimated
11 that its research time will be approximately 79 hours.
12

13 B. Wells Fargo shall produce its policies and procedures that ensure regulatory
14 and internal audit compliance with respect to its customers and accounts, the
15 production of which will be subject to an "attorneys' eyes only"
16 confidentiality designation, and the procedures regarding which will be
17 agreed upon by Wells Fargo and the Trust in a separate stipulation and order.
18

19 C. Wells Fargo shall produce its policies and procedures regarding the
20 discovery and reporting of suspicious activity regarding its customers and
21 accounts, the production of which will be subject to an "attorneys eyes only"
22 confidentiality designation, and the procedures regarding which will agreed
23 upon by Wells Fargo and the Trust in a separate stipulation and resulting
24 order.
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1 D. Wells Fargo will conduct an additional search for responsive documents in
2 the following categories: (1) correspondence, including any print-outs of
3 emails concerning the following accounts, and including any emails to or
4 from Wells Fargo's employees who worked on the following accounts:
5 Mountain Vista Inc, Acct. No. 552-5221536; 10-90 Inc. Acct. No. 552-
6 5221528; DTDF Choice IV Checking Acct. No. 562-7688038; USACM
7 Choice IV Checking Acct. No. 083-4610149; USACM Collections Trust
8 Acct. No. 089-5737864; USACM Confidential Acct. No. 5627688020;
9 USACM Exclusive Acct. No. 5627688186; USACM Investors Trust Acct.
10 No. 046-5657146; Market Rate Acct. No. 8371724478; Market Rate Acct.
11 No. 4000046896; USAREG Group Trust Acct. No. 083-4606261; Pecos
12 Professional Park Acct. No. 829-699743; Palomino Partners Acct. No. 834-
13 614422; USAREG Commercial Checking Acct. No. 083-465487; USA
14 Investors Partners LLC Acct. No. 928-6810925; USA Investors I Acct. No.
15 465-657039; USA Investors VI Acct. No. 989-8109567; USA Investors VI
16 Acct. No. 989-8394169; USA Investors VI Acct. No. 989-8108304;
17 Investors VI Acct. No. 200-0279329; Investors VI Acct. No. 200-0279337;
18 Investors VI Acct. No. 989-8368494 (collectively, the "USACM accounts");
19
20 (2) work files, including any files maintained by Wells Fargo's employees
21 who worked on the USACM accounts; (3) account opening documents for
22 the USACM accounts, including signature cards, applications, and
23
24
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1 checklists. The scope of the search shall include hard copy files, electronic
2 files, and any off-site storage facilities used by Wells Fargo.

3 E. Wells Fargo shall produce all of the documents specified in this Order by no
4 later than March 6, 2008, at the offices of Diamond McCarthy LLP, 1201
5 Elm Street, Suite 3400, Dallas, Texas 75270.

6
7 F. Within 14 days of producing these documents Wells Fargo will designate
8 and produce one or more corporate representative(s) most knowledgeable
9 about the activities and communications reflected in the produced
10 documents, including the relationship manager for the USACM accounts, if
11 such person is still under Wells Fargo's control. The examination shall be
12 conducted at a mutually agreed upon location within 100 miles of the
13 residence of such corporate representative. Additionally, within 14 days of
14 producing these documents, Wells Fargo will designate and produce one or
15 more corporate representatives most knowledgeable about Wells Fargo's
16 document production, email system, internal policies specified in this Order,
17 and such other topics listed in Exhibit A to the Subpoena. The
18 examination(s) shall be conducted at mutually agreed upon location(s)
19 within 100 miles of the residence(s) of such corporate representatives.
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1 Prepared by:

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3
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